

Decision \_\_\_\_\_

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of JOHN M. LUNDGREN, TEN FIFTEEN, L.P., AND TEN FIFTEEN, LLC, pursuant to Public Utilities Code Section 854 for authority to acquire control of VOLCANO TELEPHONE COMPANY (U 1019 C).

Application 04-01-002  
(Filed January 5, 2004)

**OPINION GRANTING AUTHORITY FOR TRANSFER OF CONTROL****1. Summary**

This order grants the application of John M. Lundgren, an individual, Ten Fifteen, L.P., a limited partnership, and Ten Fifteen, LLC, a limited liability company for approval under Pub. Util. Code § 854 for authority to acquire control of Volcano Telephone Company (Volcano).

**2. Description of the Utility and Applicants**

Volcano is a local exchange telephone company providing service to portions of the Counties of Amador, Calaveras, El Dorado, and Alpine, California. Volcano Communications Company (VCC) has controlled Volcano since the early 1980s. VCC is owned in part by Mr. and Mrs. Richard L. Lundgren and their adult children, John M. Lundgren and Angela L. Lundgren (Lundgren Family Shareholders) and in part by Telephone & Data Systems, Inc.

**3. Nature of Application**

For estate planning purposes, the Lundgren Family Shareholders' wish to transfer their 55% ownership of VCC to Ten Fifteen LP (Limited Partnership

Applicant). The sole general partner of the Limited Partnership Applicant is Ten Fifteen LLC (LLC Applicant), of which John Lundgren is the sole member and manager. If their application is granted, Lundgren family Shareholders will exchange their shares of the stock of VCC for a proportionate interest in the Limited Partnership Applicant. After the exchange, Limited Partnership Applicant will own 55% of the outstanding stock of Volcano Telephone Company. The limited Partnership Applicant is controlled and managed by its sole general partner, LLC Applicant. This transfer will reduce the risk that estate taxes might prevent the transfer of Volcano to the next generation.

#### **4. Discussion**

Pub. Util. Code § 851 provides that no public utility may transfer property that is necessary or useful in performing its duties to the public without first having secured the Commission's authorization. Pub. Util. Code § 854 requires Commission authorization before a company may "merge, acquire, or control...any public utility organized and doing business in this state...." The purpose of these and related sections is to enable the Commission, before any transfer of public utility property is consummated, to review the situation and to take such an action, as a condition of the transfer, as the public interest may require. (San Jose Water Co. (1916) 10 CRC 56.)

Applicants provided required information regarding its business activities, a balance sheet and income statement of Volcano, Articles of Organization for LLC Applicant and a certificate of limited partnership for Limited Partnership Applicant. Applicants state this transfer of control will not adversely affect Volcano or any member of the public or its customers.

The transfer of control requested in this application will permit the smooth transition of control over Volcano after the death of the individual applicant to

his successors. It will not by itself affect the current management of Volcano or its customers. We therefore find the transfer to be in the public interest and grant the requested authority.

In Resolution ALJ 176-3126, dated January 8, 2004, the Commission categorized this proceeding as ratesetting, and determined that hearings were not necessary, which we affirm here. Because no party protested this application and a hearing is not necessary, this transfer is granted ex parte.

**Waiver of Comment Period**

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2) and Rule 77.7 of the Rules of Practice and Procedure, the otherwise applicable 30-day period for public review and comment is being waived.

**Findings of Fact**

1. John M. Lundgren, an individual, Ten Fifteen, L.P., a limited partnership, and Ten Fifteen, LLC, a limited liability company seek authority under Pub. Util. Code § 854 to acquire control of Volcano Telephone Company.
2. Volcano provides local exchange service in California.
3. Applicants provided information necessary for the approval of the requested transfer.
4. No party protested this application and its approval would not affect Volcano, its customers or the public at large.

**Conclusions of Law**

1. The proposed transfer of control is reasonable and should be authorized.
2. The application should be approved subject to the terms and conditions set forth below.

**O R D E R**

**IT IS ORDERED** that:

1. John M. Lundgren, an individual, Ten Fifteen, L.P., a limited partnership, and Ten Fifteen, LLC, a limited liability company are authorized to acquire control of Volcano Telephone Company pursuant to Pub. Util. Code §§ 851 through 854 as more fully described in the application and its exhibits.

2. Applicants shall notify the Director of the Commission's Telecommunications Division in writing of the transfer of authority, as authorized herein, within 10 days of the date of consummation of such transfer. A true copy of the instruments of transfer shall be attached to the notification.

3. Applicants and Volcano shall make all books and records available for review and inspection upon Commission staff request.

4. The authority granted herein shall expire if not exercised within one year from the date of this order.

5. Application 04-01-002 is closed.

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California.